

# Audit's® NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

## Realty Trust Review

December 22, 1978  
Priced Dec. 18

©1978 Audit Investment Research, Inc.

VOL. IX, No. 24

### INVESTMENT OUTLOOK AND STATISTICAL ISSUE

Investment outlook: Special situations dominate in choppy market.....	1
Earnings trends: Rising rates hurting only a few trusts but pressure still on...	8
Table: New Earnings Reports of latest quarters for 35 trusts.....	8
Comments on: <u>Hospital Mtg.</u> , <u>Heitman Mtg.</u> , <u>Equit. Life Mtg.</u> , <u>MassMut. Mtg.</u>	
Dividend trends: <u>C.I. Realty</u> resumes payout to highlight strong month.....	3
Table: Latest Dividend Declarations for trusts.....	3
Graph of Audit Investment Index of mortgage and equity (property) trusts.....	2
Nonearning investments: Our monthly tally shows further decline.....	6
Computerized Comparative Trust Group Averages.....	3
Comparative Trust Statistics for 147 realty trust shares and funds.....	4&5
Statistics for 15 warrants and 43 convertibles.....	6
Statistics for 37 straight bond issues of trusts.....	3
How to Use Comparative Trust Statistics.....	6
Tender/exchange offers: <u>GMR Props.</u> and <u>Institutional Inv.</u> both extend.....	2
Workout plans: <u>Great American</u> seeks debt holder approval; <u>Guardian</u> revises plan.	7

### INVESTMENT OUTLOOK: SPECIAL SITUATIONS DOMINATE AS RATES STILL CALL MARKET TUNE

December's market action underscored the hoary adage that it's still a market of stocks. Special situations viewed for market attention even as the Dow-Jones Industrials fell for the second month running (we priced on the day the market sunk on news of an unexpectedly large oil price increase).

Average REIT shares were ahead by 2.6% for the month (Comparative Trust Group Averages, p. 3) while the DJI fell 1.3%. For the year REITs were off 0.3% while the DJI sank 5.2%, third consecutive year that trust shares have outperformed the overall market.

When dividends are added back, realty trusts are even farther ahead.

No fewer than 25 trusts posted double-digit jumps in the month, an extraordinary showing in the hostile interest rate environment. Ten of these were dividend payers and 15 are non-payers. Property trusts were strong nearly across the board, on buyer enthusiasm sparked by proposed going-private by General Growth Props. (RTR, Dec. 8) and our upgrading of many other property trusts. Smallish U.S. Equity & Mtg. was the standout, up 50%, but lush gains were widespread. Continental Illinois Props., up 10½%, and Pennsylvania REIT, up 9.4%, bene-

**OUR SISTER SERVICES - RELATIVE APPEAL RANKINGS FOR INVESTMENT BUILDERS**  
*REAL ESTATE DISCLOSURE DIGEST's Dec. 15 issue applies our proven Relative Appeal Ranking system to the stocks of 21 investment banking & mortgage finance companies including Forest City Ent., Ernest W. Hahn, Koger Props., Monumental Properties Trust, Rouse Co., Federal Nat. Mtg., Lomas & Nettleton Fincl., MGIC Investment, Arlen Realty, and Cousins Properties.*  
PRICE: \$15 prepaid.  
Our next issue will be mailed in three weeks on Jan. 12. Happy holidays.

KENNETH D. CAMPBELL, EDITOR AND PUBLISHER

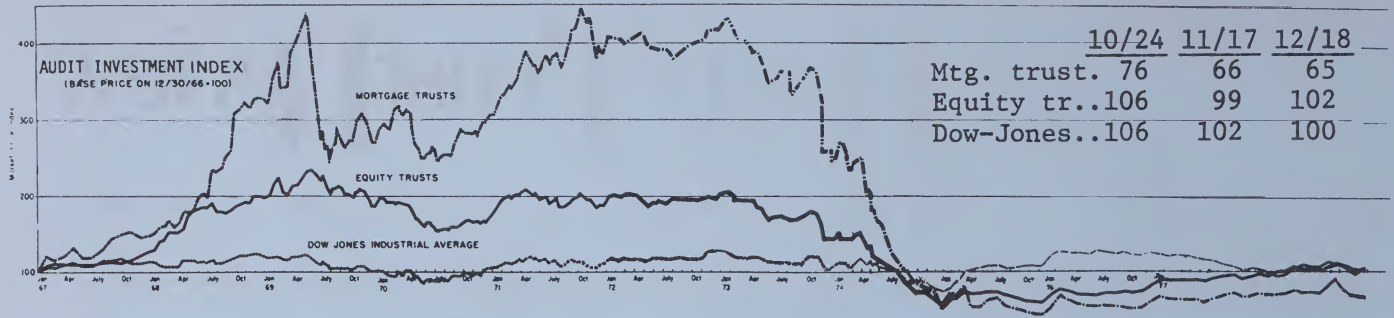
AUDIT INVESTMENT RESEARCH, INC., 230 PARK AVENUE, NEW YORK 10017

REALTY TRUST REVIEW, REAL ESTATE DISCLOSURE DIGEST, REIT EVALUATIONS, and special industry investment reports are published by Audit Investment Research, Inc., an independent advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Under no circumstances is anything contained herein to be construed as an offer to purchase or a solicitation to sell any security mentioned. Information has been obtained from sources believed to be reliable and reasonable care has been exercised in compilation, but accuracy or completeness cannot be guaranteed. Expressions of opinion are solely the responsibility of the publisher and may be changed at any time without notice. Periodical advisory services are mailed to reach subscribers no later than the Monday following publication date. Audit's officers, employees and printers are not permitted to trade upon any recommendation until the Tuesday following. Subscriptions may not be assigned without consent and unused portion refunded on request. All stock charts courtesy R. W. Mansfield Co. Copyright ©1978 by Audit Investment Research, Inc., 230 Park Ave., New York, N.Y. 10017. May not be reproduced or photographed in any form without written permission. Additional copies available at group rates.

PUBLISHED TWICE MONTHLY ON THE SECOND AND FOURTH FRIDAYS SUBSCRIPTIONS \$148 ANNUALLY SINGLE COPY \$10 (RELATIVE APPEAL \$20) BACK ISSUES \$1.50 TO SUBSCRIBERS ONLY ■ GROUP RATES ON REQUEST

Individual portfolio consultation \$175 hr. to subscribers, \$250 nonsubscribers





fitting from good dividend gains (p.3). C.I. Realty joined the dividend payers and leaped 16%. GREIT Realty, elevated to No. 1 ranking last issue, moved up 16.3% on a management change. General Growth, which started the new interest in property trusts, was ahead by 11½%. Other double-digit gainers included San Francisco RE, Virginia REIT, Mortgage Growth, B.F. Saul, and Realty & Mtg. Inv. of the Pacific, the latter also on a good closing quarter and boost in the payout.

Security Mortgage Inv. moved up 8.3% even as it posted a wider loss for the Sept. fiscal year. The big action came because the trust proposed selling 923,077 sh. to Smith Barney Real Estate Corp., which controls the trust's adviser, for \$3 million or \$3.25/sh. The proposal would pump \$3 million into the trust and let it reduce bank debt further from the \$8¼ million currently. SMO had cut \$20 million from bank debt in the Sept. quarter on sale and swap of some assets.

The proposal, which must be approved by shareholders, came under some fire because some holders interpreted it as an attempt by insiders to obtain a large block of about 12½% of shares just before an earnings breakout appears in the offing (fueled by the sharp bank debt cuts). But SBREC would be paying about 18% over the market price on the day the deal was fixed and the money appears to be a significant aid to the trust. A proxy with more details should be out in about two weeks. We view this as a strong signal that earnings are turning around and see it as a buy signal; shares are being upgraded to No. 2N-above average.

Among non-dividend payers, big percentage gains were fairly common as investors began bargain hunting for trusts with salable properties. Alamand Corp. (formerly Beneficial Std. Mtg) was the star with a 50% gain on news that a life insurance company had committed to provide funds to let the trust refinance its bank debt. Alamand is swapping nearly \$8 million assets and various conditions must be met before the life company credit is taken down.

Three trusts in bankruptcy rose sharply: Citizens Mtg., up 67%; Great American M&I, up 32% on completion of a proposal (p. 7); and Dominion Mtg., up 19%.

Compass Investment Group (formerly Barnett Winston Inv. Group) rose 22% on news that two California investors, Joe Akerman and John Wertin, converted \$1.7 million of 8¼% debentures into 1,259,259 common shares, or 43% of outstanding shares. Conversion price fell to \$1.35 on Dec. 1 and the holders did not wait to get a \$41.25 partial interest payment coming Jan. 5. They said they "may" try to seek control and effect combinations with other entities.

#### TENDER/EXCHANGE OFFERS: GMR PROPERTIES AND INSTITUTIONAL INVESTORS BOTH EXTEND

Both trusts extended until Dec. 29 offers to exchange new debt for subordinated debt maturing fairly soon. GMR Props. is offering \$1,025 face amount of a new 8½% senior subordinated debenture plus 50 sh. of stock; about 51% have accepted vs. 75% sought. Inst. Inv. offers \$1,050 new 8¼% note plus 50 sh.; 46% have accepted v. 80% sought.

# DIVIDEND TRENDS: C.I. REALTY RESUMES AND NINE OTHERS JUMP PAYOUTS

C.I. Realty Investors is making its first payout since May 1974 with a dime dividend. The trust hasn't labeled this a quarterly rate yet, although it's expected that trustees will make a more definitive statement next quarter. Strong cash flow from recently leased New York City office towers was cited as the main reason for the payout; CIX isn't qualified as a REIT any longer and thus is under no legal pressure to pay dividends.

Other trusts boosted dividends with a 16% jump by Pennsylvania REIT a stand-out; the boost to a \$1.45 annual rate helped shares post a new 1978 high in a weak market. Rlty. & Mtg. of the Pacific (RAMPAC) jumped 9% to a \$1.40 rate with a good Nov. quarter, and Cont. Illinois Properties moved up 6% on a good cash flow gain. REIT of America is paying a 20c year-end extra that boosts full-year

Trust	Record date	--Quarterly dividend/share--			-% Chng. from-	
		Latest	Previous	Year-ago	Prev. Q	Yr-ago
C.I. Realty Investors..	12/19	\$0.10	Resumed	Resumed	Resumed	Resumed
Consol. Capital Rlty..	12/18	0.1717M	0.1717M	0.17M	UC	+ 1%
Cont. Illinois Props..	1/2/79	0.34	0.32	0.32	+ 6%	+ 6
Del-Val Financial....	12/20	0.115M	0.115M	0.115M	UC	UC
Federal Realty Inv....	12/22	0.34	0.34	0.32	UC	+ 6
First Cont'l. REIT....	12/31	0.26	0.25	0.23	+ 4	+13
First Union RE.....	1/12/79	0.27	0.26	0.25	+ 4	+ 8
Florida Gulf Rlty....	12/12	0.32	0.32	0.32	UC	UC
Fraser Mtg. Inv.....	1/1/79	0.28	0.28	0.25	UC	+12
General Growth Props..	1/5/79	0.39	0.39	0.37	UC	+ 5
General Real Est. Sh..	2/19/79	0.13	0.34	0.08	-62	+63
Hospital Mtg. Inv....	1/16/79	0.15	0.15	0.15	UC	UC
Hubbard Real Estate...	12/22	0.38	0.36	0.32	+ 6	+19
Investors Realty.....	12/8	0.15	0.15	0.125	UC	+20
M&T Mtg. Inv.....	12/25	0.30	0.30b	0.26	UCb	+15
MONY Mtg. Inv.....	12/29	0.23	0.23	0.23	UC	UC
MassMutual Mtg.&Rlty..	12/13	0.34	0.34	0.31	UC	+10
New Plan Realty.....	12/15	0.06M	0.06Ma	0.053Ma	UC	+13
Pacific So. Mtg. Tr..	11/13	0.18	0.15	0.15	+20	+20
Pennsylvania REIT....	1/31/79	0.725S	0.625S	0.625S	+16	+16
Real Est. Inv. Props..	1/3/79	0.27	0.265a	0.24a	+ 2	+13
REIT of America.....	1/17/79	0.30+20cEX	0.30	0.30	+67	+67
Rlty.&Mtg. of Pacific.	12/29	0.35	0.32	0.32	+ 9	+ 9
Terrydale Realty.....	11/28	0.40	0.40	0.37	UC	+ 8
University Realty.....	12/22	0.06M	0.06M	0.09M	UC	-33
Wells Fargo Mtg.& Eq..	2/2/79	0.30	0.30	0.30	UC	UC

UC=Unchanged. M=Monthly. S=Semiannual. EX=Year-end extras. L=Liquidating.  
NC=Not compared. Trusts reducing dividend from previous quarter underlined.  
a-Adjusted for stock splits. b-Paid 5c year-end extra in previous quarter.

payout to \$1.40; REITA expanded a California shopping center last year and this plus other gains helped. General Real Estate was the only decliner but this seems more due to seasonal patterns.

## COMPARATIVE TRUST GROUP AVERAGE 12/18/78

GROUP	QUAL	NON-QUAL	QUAL TOTAL	SHARE (000)	BOOK VALUE	AMN DIV*	EARN ANN*	LAST PRICE	% CHNG FROM--	FROM--	P/E	ANN*	% PR	RETURN	MARKET VALUE
PROPERTY-LARGE	21	0	21	2246	11.20	1.07	1.23	13.04	5.9	3.2	10.6	8.2	16.5	11.0	681.1
-SMALL	7	0	7	955	11.67	1.06	1.42	11.00	3.8	6.4	7.7	9.6	-5.7	12.2	70.8
-SUBOR LAND	3	0	3	1862	16.11	1.15	1.62	11.54	5.3	-2.5	7.1	9.9	-28.4	10.0	55.5
AVERAGE 3 PROP GROUPS			31	1917	11.78	1.07	1.30	12.43	5.4	3.3	9.5	8.7	5.6	11.1	807.4
PROP & MTG COMBINATION	14	9	23	2186	9.65	0.42	0.64	6.72	-0.8	1.3	10.5	6.2	-30.4	6.7	387.7
SHORT-TERM MTG	11	0	11	1757	15.05	0.61	0.77	8.28	1.1	-0.3	10.8	7.3	-45.0	5.1	172.1
LONG-TERM MTG/PROP	13	0	13	3448	14.66	0.98	0.96	9.24	1.5	-21.2	9.6	10.6	-37.0	6.5	412.5
MTG/FCLSD PROP-MISC	8	7	15	2717	4.70	0.00	0.54	2.58	1.3	5.3	4.7	0.0	-45.0	11.6	105.5
-BANK	0	16	16	2061	3.74	0.00	0.50	2.78	-3.1	13.6	5.6	0.0	-25.8	13.2	74.2
-INDEPEND	0	31	31	3283	1.02	0.00	0.24	1.77	4.0	18.2	7.5	0.0	73.6	23.2	137.4
AVERAGE 3 MTG/FCLSD PROP			62	2830	2.61	0.00	0.37	2.22	0.9	12.9	5.9	0.0	-14.8	14.5	317.1
OVERALL AVERAGE	77	63	140	2495	7.89	0.44	0.71	6.35	2.6	-0.3	8.9	7.0	-19.5	9.0	2096.8
DOW-JONES INDUSTRIAL AVERAGE							101.59	787.51	-1.3	-5.2	7.8	6.2			

\*LATEST QUARTER ANNUALIZED.

## STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
BARNETT MTG-C	OC	6.75	'91	5.3	45.00	-6.2	15
BARNETT MTG-CD	OC	8.50	'98	9.5	75.00	7.1	11
BAY COLONY PROP-B	PS	8.50	'89	17.0	63.00	-4.4	13
BAY COLONY PROP-C	NY	8.50	'81F	6.8	85.00	4.1	10
BT MTG INV-C	OC	5.75	'82	19.4	53.00	0.0	10
CHASE MAN TR-A	OC	7.88	'78F	36.7	71.00	4.4	DEF
CHASE MAN TR-C	OC	7.50	'83	41.2	28.00	0.0	DEF
CITIZNS MTG INV-B	OC	8.50	'80	20.0	33.00	0.0	VJ
CONT ILL RLTY-B	NY	7.63	'79	25.0	93.00	6.3	8
COSINS M&E-C	NY	6.50	'82F	30.0	57.00	3.4	11
FIRST MTG INV-A	OC	6.75	'82	9.1	53.00	0.0	12
FIRST NEWPORT-B	OC	8.75	'79	7.4	90.00	2.3	9
FIRST VA MTG-A	OC	4.00	'80	15.0	70.00	-2.7	5
FIRST VA MTG-BM	OC	11.50	'80	5.0	80.00	-2.3	14
GMR PROPERTIES-C	AS	7.70	'80	20.0	76.13	-2.3	10
GREAT AMER MGMT-B	OC	7.55	'79	25.0	34.00	9.7	VJ
GREAT AMER MGMT-C	OC	8.75	'83	25.0	20.00	5.3	VJ
GROWTH RLTY-C	NY	6.75	'82	9.2	72.75	0.0	9
GUARDIAN MTG-B	OC	7.50	'79	25.0	35.00	6.1	VJ
GUARDIAN MTG-C#	OC	6.75	'86	8.6	25.00	8.7	VJ
IDS REALTY-H	OC	---	---	99.0	50.00	-9.0	NC
INSTNL INV-B	NY	7.88	'80	20.0	74.13	-10.6	10
JUSTICE MTG-B	OC	7.75	'79	9.6	41.00	-8.8	VJ
MIDLAND MTG-B	NY	8.00	'80	17.1	84.00	1.5	9
MTG INV WASH-BG	OC	11.25	'80	15.0	80.00	29.0	14

## STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
NATIONWIDE RE-C	OC	7.00	'91	6.5	72.00	-5.2	9
NJB PRIME INV-C	OC	7.00	'80F	4.7	30.00	-6.2	VJ
NO AMER MTG-B	PS	8.50	'87	12.1	68.00	-5.5	12
NO AMER MTG-C	NY	5.50	'79	16.3	90.13	1.3	6
REALTY REFUND	NY	11.38	'98	20.0	90.75	0.7	12
REALTY REFUND-C	NY	12.00	'98	15.0	94.00	0.8	12
SAUL (B.F.)-C	NY	8.50	'80	25.0	91.00	0.0	9
SECURITY MTG-#	AS	7.25	'82	50.0	85.00	0.0	8
SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	1.5	9
SO ATLANTIC-C#	NY	6.75	'82F	16.9	63.13	0.8	10
STATE MUT INV-B	NY	9.00	'80F	6.2	90.00	-1.0	10
TRI-SOUTH MTG-B	NY	7.75	'80F	19.3	79.13	-1.0	10

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$1.62. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES. A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.  
X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.  
#MAY BE USED AT PAR TO EXERCISE WARRANTS.  
F-TRADES FLAT, WITHOUT ACCRUED INTEREST.



	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS													
NR	AMER EQUITY IT#	OC-AEQTS	2497	6.51	0.90	SEP	0.87	7.75	3.3	34.8	8.9	11.6	19.0
3N	API TRUST	OC-API TS	1012	7.11	0.00	SEP	0.00	2.00	-6.1	-52.9	0.0	0.0	13.4
NR	CMNWLT RLTY #	OC-CRTYC	1180	6.56	0.80	AUG	1.48	9.50	5.6	5.6	6.4	8.4	0.0
4	CONSOL CAP RLY#	OC-CCPLS	1989	17.20	2.06	AUG	1.24	24.50 X	-1.3	-9.3	19.8	8.4	22.6
1	CONT ILL PROP#	NY-CIE	4808	19.66	1.36	OCT	1.44	15.75	10.5	1.6	10.9	8.6	7.2
2	DENVER REIA#	OC-DENVS	1101	8.35	0.72	SEP	2.04	10.63	4.9	26.8	5.2	6.8	7.3
1	FEDERAL REALTY#	AS-FRT	1450	9.77	1.36	SEP	1.00	16.00 X	-1.0	-1.5	16.0	8.5	24.4
1	FIRST UNION #	NY-FUR	4270	8.63	1.08	JUL	1.39	11.25	2.3	-12.7	8.1	9.6	10.2
1	FLORIDA GULF#	OC-FGLFS	995	14.59	1.28	JUL	1.48	12.00 X	-10.4	-14.3	8.1	10.7	16.1
3	GENERAL GROWTH#	NY-GGP	6202	6.38	1.56	JUN	1.73	26.63	11.5	10.4	15.4	5.9	10.1
2	GOULD INVESTOR#	AS-GTR	1174	6.97	0.88	JUN	1.20	8.75 X	1.0	25.0	7.3	10.1	27.1
1	GREIT REALTY #	AS-GRT	998	11.31	0.40	JUL	0.88	7.13	16.3	11.8	8.1	5.6	17.2
2	HUBBARD REI	NY-HRE	4004	22.84	1.52	JUL	1.72	16.13 X	1.6	-9.1	9.4	9.4	7.8
1	NEW PLAN RLTY#	OC-NPLNS	2537	2.67	0.72	JUL	0.00	9.50 X	9.3	16.4	0.0	7.6	7.5
1	PENN REIT #	AS-PEI	1516	13.17	1.45	AUG	2.89	16.00	9.4	12.3	5.5	9.1	0.0
NR	PRUDENT REIT#	AS-PRU	3146	2.42	0.24	AUG	0.44	3.63 X	-4.9	38.0	8.3	6.6	21.9
3	REIT OF AMERICA	AS-REI	1633	21.59	1.40	NOV	1.76	15.25	0.8	5.2	8.7	9.2	18.2
2	SAN FRAN RE #	AS-SFI	1376	19.90	1.40	SEP	1.40	18.63	12.9	23.1	13.3	7.5	8.2
NR	UNIVERSITY REI#	OC-URETS	2514	8.15	0.72	SEP	0.36	9.88 X	4.6	-5.9	27.4	7.3	7.0
2	VIRGINIA REI#	OC-VARES	1251	10.02	0.80	SEP	0.76	11.50	15.0	48.4	15.1	7.0	24.8
2	WASH REIT #	AS-WRE	1518	11.41	1.88	SEP	1.72	21.50 X	5.2	-10.9	12.5	8.7	7.6
GROUP AVERAGE													
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
NR	GENERAL RE #	OC-GRELS	557	7.99	0.42	SEP	0.87	7.50 X	5.1	25.0	8.6	5.6	10.9
3	HOTEL INVESTOR#	AS-HOT	1558	16.90	1.80	AUG	1.72	16.25	-3.0	-4.4	9.4	11.1	10.2
NR	PITTS & W VA RA	AS-PW	1510	22.72	0.56	SEP	0.80	5.75	-4.2	-27.0	7.2	9.7	3.5
NR	RE INV PROPS #	OC-REIPS	959	7.60	1.08	SEP	1.24	11.00	0.0	10.0	8.9	9.8	16.3
NR	REIT OF CALIF	OC-RTCAL	550	9.35	1.28	SEP	1.44	15.00	0.0	20.0	10.4	8.5	15.4
NR	TERRYDALE R#	OC-TRYLS	336	13.77	1.60	JUN	2.84	14.00 X	-2.4	3.7	4.9	11.4	20.6
NR	US EQUITY & MTG	OC-USEM	1214	3.35	0.68	JUL	1.03	7.50	50.0	36.4	7.3	9.1	30.7
GROUP AVERAGE													
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
2	ICM REALTY	AS-ICM	3011	15.13	0.24	AUG	0.96	8.50	6.3	21.4	8.9	2.8	6.3
2	JMB REALTY	OC-JMBRS	510	19.53	2.00	MAY	2.69	15.50	1.6	-6.1	5.8	12.9	13.8
3	PROPERTY CAPITL	AS-PCL	2065	13.68	1.20	OCT	1.20	10.63 X	2.8	-11.4	8.9	11.3	8.8
GROUP AVERAGE													
PROPERTY & MTG COMBINATION													
1	BANKAMER RLTY	OC-BRLTS	3547	16.92	1.00	OCT	1.28	10.13 X	-11.7	-3.5	7.9	9.9	7.6
3N	BRT REALTY	AS-BRT	1400	2.70	0.00	AUG	0.00	1.25	0.0	81.2	0.0	0.0	0.0
1	CONN GEN M&R#	NY-CGM	5720	18.86	1.80	SEP	1.90	17.63	-7.2	-16.0	9.3	10.2	10.1
2	FLATLEY RLTY #	OC-FLTLS	1000	6.93	0.20	SEP	0.60	3.50	-17.6	7.7	5.8	5.7	8.7
2N	INDIANA M&R #	OC-INDMS	1154	8.87	0.00	SEP	0.64	3.63	-9.3	3.7	5.7	0.0	7.2
1	INVESTORS RL#	AS-IRT	1479	11.11	0.60	AUG	0.76	7.75 X	3.5	3.3	10.2	7.7	6.8
1	MILLER HENRY S	OC-HSMTS	560	16.95	1.00	AUG	2.97	12.75	-8.9	27.5	4.3	7.8	17.5
1	MORTGAGE GROWTH	AS-MTG	2627	10.65	0.64	AUG	0.52	6.75	12.5	17.4	13.0	9.5	4.9
2	PROP TR AMER#	OC-PTRAS	2338	7.45	0.32	SEP	0.51	4.63	2.9	-9.7	9.1	6.9	6.8
3	REALTY INCOME	AS-RTI	1573	9.43	1.40	JUL	0.00	11.25 X	-6.3	-12.7	0.0	12.4	0.0
NR	RIVIERE RLTY #	OC-RIV16	783	8.60	0.60	SEP	1.00	5.75	0.0	4.5	5.8	10.4	11.6
2N	SAUL (BF) REIT	NY-BFS	5859	5.08	0.00	SEP	0.00	6.00	11.5	41.2	0.0	0.0	0.0
2	US BANCORP #	AS-UBT	840	17.03	0.80	AUG	1.76	14.00	0.0	40.0	8.0	5.7	10.3
3	WELLS FARGO M&E	NY-WFM	3917	17.60	1.20	SEP	1.23	11.38	3.5	-14.1	9.3	10.5	7.0
GROUP AVERAGE													
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
2N	BAIRD & WARNER	OC-BAIDS	1043	15.86	0.00	OCT	0.00	7.25	3.6	20.8	0.0	0.0	0.0
2N	CENTRAL MTG	OC-CMRTS	775	12.81	0.00	SEP	1.20	5.00	0.0	28.9	4.2	0.0	9.4
2	FIRST CONTNL	OC-FCRES	2106	10.32	1.04	NOV	1.08	8.00	3.2	-5.9	7.4	13.0	10.5
3	FRASER MTG	OC-FRASS	1038	16.64	1.12	AUG	1.08	10.75	0.0	-4.4	10.0	10.4	6.5
2N	HANOVER SQ RLTY	AS-HSQ	946	11.25	0.00	AUG	0.20	6.25	6.3	19.0	31.3	0.0	1.8
2	LOMAS & NETLTN	NY-LOM	3700	27.83	1.92	SEP	1.92	15.00	-2.5	-24.5	7.8	12.8	6.9
2	M&T MORTGAGE	OC-MTMIS	1482	10.32	1.20	NOV	1.28	9.25 X	1.8	-7.5	7.2	13.0	12.4
1N	MTG TRUST AMER	NY-MT	3860	12.91	0.00	AUG	0.56	5.50	-10.3	-8.3	9.8	0.0	4.3
2	NATIONWIDE RE	OC-NRELS	1047	24.36	0.40	SEP	0.52	12.00	-7.7	50.0	23.1	3.3	2.1
2	SUTRO MTG INV	NY-SUT	2322	15.56	1.00	SEP	0.62	8.75	4.4	-6.7	14.1	11.4	4.0
2N	WESTERN MTG	BO-WMTGS	1003	7.74	0.00	AUG	0.00	3.38	8.0	4.0	0.0	0.0	3.4
GROUP AVERAGE													
LONG-TERM MTGS & PROPERTIES													
3N	BT MTG INVSTRS	NY-BTM	2116	-2.94	0.00	JUN	0.00	1.13	-24.7	-49.8	0.0	0.0	-0.0
NR	DEL-VAL FIN CP*	OC-DVALS	905	9.36	1.38	SEP	1.28	10.75 X	-1.2	-20.4	8.4	12.8	13.7
3	EQUIT LP MTG	NY-EQ	5663	23.43	2.00	OCT	2.04	17.00	-4.2	-34.9	8.3	11.8	8.7
3	HOSPITAL MTG#	AS-HMG	1178	22.54	0.60	AUG	0.60	9.00	2.9	-1.4	15.0	6.7	2.7
1	MASSMUTUAL MTG	NY-MML	4670	19.63	1.36	OCT	1.32	12.75 X	5.7	-17.1	9.7	10.7	6.7
2	MONY MTG INV	NY-MYM	8935	9.82	0.92	NOV	0.68	8.00	-7.3	-20.0	11.8	11.5	6.9
3	NOWSTRN MUT MT	NY-NML	4758	19.12	1.00	SEP	0.68	9.50	-5.0	-22.4	14.0	10.5	3.6
1	PACIFIC SO MTG	OC-PSMTS	800	11.99	0.72	SEP	0.76	7.00	5.6	3.7	9.2	10.3	6.3
3	PNB MTG& RL#	NY-PNI	2437	18.77	0.88	JUN	1.08	8.13	-1.5	-24.4	7.5	10.8	5.8
3	REALTY REFUND	NY-RRF	1377	17.38	1.68	OCT	1.68	12.75 X	-7.6	-39.3	7.6	13.2	9.7
2	RLTY & MTG PAC	OC-RPACS	1890	18.00	1.40	NOV	1.52	12.88	14.5	4.0	8.5	10.9	8.4
2N	SECURITY MTG	AS-SMO	6487	5.88	0.00	SEP	0.00	3.25	8.3	8.3	0.0	0.0	0.0
1	UNITED REALTY	AS-URT	3610	17.61	0.84	AUG	0.84	8.00	1.5	-19.0	9.5	10.5	4.8
GROUP AVERAGE													

#NET CASH FLOW, SEE PAGE 6. \*GROSS CASH FLOW. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. AMERICAN EQUITY & ICM REALTY DIVIDENDS TRAILING 12 MONTHS. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CH. XI REORGANIZATION COMPLETED. Z-CH. XI PROPOSED OR POSSIBLE. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. CONTINENTAL MTG. EARNINGS FOR 4 MONTHS ENDED JULY 31, 1978 BEFORE RESULT OF INCLUDING OPERATIONS OF SUBSIDIARIES. NAME CHANGE: BARNETT-WINSTON TO COMPASS INVESTMENT GROUP. GROUP CHANGE: VIRGINIA REIT FROM PROPERTY & MTG COMBINATION TO PROPERTY TRUSTS-OVER \$25M ASSETS.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MILS)
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
3N	AMER CENTURY MI	2607	5.29	0.00	SEP	0.00	3.00	20.0	-4.2	0.0	-43.3	0.0	7.8
2N	Y COLWELL MTG	2030	2.90	0.00	SEP	0.00	1.75	-6.9	118.8	0.0	-39.7	0.0	3.6
3N	CONT ILL RLTY	2797	2.28	0.00	SEP	0.61	3.00	9.1	-7.7	4.9	31.6	26.8	8.4
4N	HEITMAN MTG	3292	2.01	0.00	SEP	0.00	1.25	0.0	-16.7	0.0	-37.8	0.0	4.1
2N	MIDLAND MTG	2382	0.25	0.00	SEP	0.05	1.63	0.0	30.4	32.6	552.0	20.0	3.9
2N	MISSION INV TR	1812	4.87	0.00	AUG	0.00	3.00	0.0	71.4	0.0	-38.4	0.0	5.4
3N	NORTH AMER MTG	4401	8.45	0.00	SEP	0.00	2.63	-8.7	-29.9	0.0	-68.9	0.0	11.6
2N	WACHOVIA RLTY	3335	9.21	0.00	NOV	0.00	3.63	-3.2	-19.3	0.0	-60.6	0.0	12.1
GROUP AVERAGE													
		2832	4.41	0.00		0.08	2.49	1.3	-0.2	30.1	0.0	-43.6	1.9 56.9
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
3N	AMER REALTY	2222	3.37	0.00	JUN	0.12	2.00	6.4	72.4	16.7	-40.7	3.6	4.4
2N	BAY COLONY PROP	3315	6.18	0.00	AUG	0.07	3.50	0.0	27.3	50.0	-43.4	1.1	11.6
2	C I REALTY #	2609	16.58	0.10	AUG	0.48	11.50 X	16.0	8.2	24.0	-30.6	2.9	30.0
3N	CITIZENS GROWTH	811	6.85	0.00	OCT	0.02	3.00	9.1	71.4	150.0	-56.2	0.3	2.4
2N	FRANKLIN RLTY	999	7.91	0.00	SEP	0.04	4.88	0.0	-4.9	122.0	-38.3	0.5	4.9
2N	SUMMIT PROP #	1543	6.73	0.00	JUL	0.00	2.75	-15.4	-31.3	0.0	-59.1	0.0	4.2
2N	US REALTY #	3434	3.95	0.00	SEP	0.28	4.75	-5.0	-2.7	17.0	20.3	7.1	16.3
3N	WALTER RLTY #	1035	7.47	0.00	OCT	0.27	4.50	-2.8	-14.3	16.7	-39.8	3.6	4.7
2N	WISCONSIN RE #	1514	4.86	0.00	SEP	0.32	1.38	-21.1	-64.4	4.3	-71.6	6.6	2.1
GROUP AVERAGE													
		1942	7.10	0.01		0.18	4.25	1.9	-3.0	23.9	0.3	-40.1	2.5 80.6
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
3N	ALAMAND CORP	1355	0.43	0.00	OCT	0.00	3.00	50.0	84.0	0.0	597.7	0.0	4.1
4N	BUILDERS INV	2929	0.04	0.00	SEP	0.00	2.00	6.4	77.0	0.0	4900.0	0.0	5.9
3N	CAPITAL MTG	1675	-1.24	0.00	SEP	0.00	0.75	-25.0	-7.4	0.0	-0.0	-0.0	1.3
2N	COMPASS INV GP	2923	3.67	0.00	SEP	2.99	1.38	22.1	56.8	0.5	-62.4	81.5	4.0
4N	VJCONTINENTAL MTG	20838	-3.71	0.00	JUL	0.09	0.20	0.0	-20.0	2.2	-0.0	-0.0	4.2
3N	COUSINS M&E	3854	1.01	0.00	AUG	0.00	2.63	16.9	75.3	0.0	160.4	0.0	10.1
2N	DIVERSIFIED MTG	7326	8.44	0.00	SEP	0.00	3.50	11.8	33.1	0.0	-58.5	0.0	25.6
5N	VJDOMINION M&R	639	-9.92	0.00	AUG	0.66	0.75	19.0	200.0	1.1	-0.0	-0.0	0.5
2N	EASTOVER CORP	1034	11.86	0.00	SEP	0.53	8.00	14.3	52.4	15.1	-32.5	4.5	8.3
5N	FIRST MORTGAGE	8495	-5.98	0.00	JUL	0.01	0.50	-10.7	-10.7	50.0	-0.0	-0.0	4.2
3N	FIRST NEWFORT R	2339	3.44	0.00	JUL	0.14	1.25	-9.4	-13.2	8.9	-63.7	4.1	2.9
3N	FIRST VIR REIT	1208	6.89	0.00	SEP	0.56	1.56	-10.9	4.0	2.8	-77.4	8.1	1.9
5N	VJGREAT AMER M&I	4456	-11.90	0.00	OCT	0.70	0.50	31.6	100.0	0.7	-0.0	-0.0	2.2
2N	GROWTH RLTY	2059	7.66	0.00	SEP	0.00	3.88	3.5	10.9	0.0	-49.3	0.0	8.0
5N	VJGUARDIAN MTG	3000	-13.81	0.00	AUG	0.59	0.44	-41.3	-30.2	0.7	-0.0	-0.0	1.3
2N	HAMILTON INV	2133	5.43	0.00	SEP	0.40	1.88	7.4	0.0	4.7	-65.4	7.4	4.0
2N	INSTITUTAL	6074	2.98	0.00	JUL	0.33	1.75	7.4	-26.5	5.3	-41.3	11.1	10.6
2N	KENTUCKY PROPTY	1100	2.61	0.00	AUG	0.00	1.75	-6.9	75.0	0.0	-33.0	0.0	1.9
5N	Y LIFETIME COM	6631	2.67	0.00	JUL	0.17	0.75	0.0	66.7	4.4	-71.9	6.4	5.0
2N	LINCOLN MTG	1155	0.85	0.00	SEP	0.00	1.88	0.0	36.2	0.0	121.2	0.0	2.2
5N	VJMETROPLEX RLTY	1184	-0.28	0.00	MAR	0.00	0.50	0.0	-10.7	0.0	-0.0	-0.0	0.6
3N	MTG INV WASH	2146	4.13	0.00	SEP	0.00	1.75	7.4	-30.0	0.0	-57.6	0.0	3.8
4N	Y NATIONAL MTG	3707	2.03	0.00	AUG	0.12	0.75	-14.8	33.9	6.3	-63.1	5.9	2.8
5N	VJNJB PRIME INV	1330	-7.15	0.00	AUG	0.00	1.00	-20.0	222.6	0.0	-0.0	-0.0	1.3
5N	PLAZA REALTY	1114	0.73	0.00	SEP	0.00	1.00	23.5	6.4	0.0	37.0	0.0	1.1
3N	REPUBLIC MTG	2107	3.90	0.00	SEP	0.00	1.50	-8.0	-33.3	0.0	-61.5	0.0	3.2
1N	TEXAS FIRST MTG	1055	8.03	0.00	SEP	0.03	2.88	-14.8	9.5	96.0	-64.1	0.4	3.0
2N	TIERCO	1170	6.62	0.00	SEP	0.12	2.25	5.6	50.0	18.8	-66.0	1.8	2.6
4N	TRECO	2238	0.99	0.00	SEP	0.04	1.13	13.0	126.0	28.3	14.1	4.0	2.5
4N	UMET TRUST	2109	-3.46	0.00	AUG	0.00	1.25	-23.3	-58.3	0.0	-0.0	-0.0	2.6
2N	WESTPORT CO	2388	4.57	0.00	OCT	0.35	2.38	11.7	5.8	6.8	-47.9	7.7	5.7
GROUP AVERAGE													
		3283	1.02	0.00		0.24	1.77	4.0	18.2	7.5	73.6	23.2	137.4
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
5N	AMER FLETCHER M	1352	0.27	0.00	OCT	0.00	1.63	-6.9	85.2	0.0	503.7	0.0	2.2
2N	CAMERON-BROWN	2016	7.14	0.00	SEP	0.09	2.50	-4.9	-4.9	27.8	-65.0	1.3	5.0
5N	Z CHASE MAN MTG	4886	-5.15	0.00	AUG	0.00	0.75	0.0	-60.1	0.0	-0.0	-0.0	3.7
NR	CITINATL DEV	600	13.63	0.00	SEP	0.30	7.75	0.0	24.0	25.8	-43.1	2.2	4.7
5N	VJCITIZENS MTG	1421	-17.02	0.00	JUN	0.00	0.25	66.7	-13.8	0.0	-0.0	-0.0	0.4
3N	CITIZENSASO RLTY	3829	1.91	0.00	SEP	1.77	1.13	-9.6	79.4	0.6	-40.8	92.7	4.3
2N	CLEVELAND TRUST	2525	10.38	0.00	JUN	0.00	3.88	-11.4	3.5	0.0	-62.6	0.0	9.8
4N	FIDELCO GROWTH	1580	5.32	0.00	AUG	1.59	3.38	-6.9	50.2	2.1	-36.5	29.9	5.3
2N	FIRST DENVER MI	1621	6.98	0.00	SEP	0.71	2.13	6.5	-5.3	3.0	-69.5	10.2	3.5
2N	FIRST MEMPHIS	1156	5.14	0.00	AUG	0.55	2.13	-19.0	42.0	3.9	-58.6	10.7	2.5
3N	FIRST PENN MTG	2961	2.48	0.00	OCT	1.17	1.63	-13.3	-6.9	1.4	-34.3	47.2	4.8
3N	FIRST WISCONSIN	1988	5.37	0.00	SEP	0.00	2.50	-4.9	25.0	0.0	-53.4	0.0	5.0
5N	INDEPENDENCE MT	2500	-3.80	0.00	SEP	0.13	1.00	-20.0	51.5	7.7	-0.0	-0.0	2.5
2N	MARYLAND REALTY	760	9.59	0.00	AUG	0.16	3.00	-7.7	-14.3	18.8	-68.7	1.7	2.3
2N	NW FINANCIAL IN	1510	14.35	0.00	SEP	0.12	8.25	8.1	11.8	68.8	-42.5	0.8	12.5
3N	TRI-SOUTH MTG	2270	3.29	0.00	SEP	1.34	2.50	11.1	66.7	1.9	-24.0	40.7	5.7
GROUP AVERAGE													
		2061	3.74	0.00		0.50	2.78	-3.1	13.6	5.6	-25.8	13.2	74.2
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
2N	ATLANTA NATL	1273	8.99	0.00	AUG	0.00	4.00	0.0	18.3	0.0	-55.5	0.0	5.1
3N	BARNES MTG INV	1910	11.10	0.00	JUN	0.00	1.88	-11.7	-31.6	0.0	-83.1	0.0	3.6
4N	CI MTG GROUP	4812	-3.32	0.00	JUL	0.00	2.75	22.2	298.6	0.0	-0.0	-0.0	13.2
2N	GMR PROP	2210	3.77	0.00	AUG	0.00	1.88	-6.0	-11.7	0.0	-50.1	0.0	4.2
4N	IDS REALTY	2409	3.73	0.00	OCT	7.23	1.50	8.7	-10.7	0.2	-59.8	193.8	3.6
3N	SOUTH ATLANTIC	2706	2.93	0.00	JUL	0.08	2.75	-4.5	4.6	34.4	-6.1	2.7	7.4
3N	STATE MUTUAL	2786	8.08	0.00	SEP	0.23	4.13	3.3	13.8	18.0	-48.9	2.8	11.5
GROUP AVERAGE													
		2587	5.04	0.00		1.08	2.70	1.3	11.8	2.5	-46.5	21.4	48.6
PREFERRED STOCK & REIT FUNDS													
NR	COLWELL PFD	2149	7.50L	0.00	SEP	0.00	2.38	0.0	-4.8	0.0	-68.3	0.0	5.1
NR	RET INCOME	3794	2.30N	0.00	SEP	0.08	1.75	0.0	-22.2	21.9	-23.9	3.5	6.6
NR	RET-\$4.38 PFD	575	51.63C	4.38	---	0.00	42.88	-1.4	-3.6	0.0	-16.9	0.0	24.7
NR	S-G SECURITIES	1425	1.44N	0.00	JUL	0.00	1.63	-13.3	-27.6	0.0	13.2	0.0	2.3
NR	S-G \$1.75 PFD	660	21.15C	1.70	---	0.00	13.75	-4.4	-11.3	0.0	-35.0	0.0	9.1
NR	TRECO-PFD A I	779	1.00L	0.00	---	0.00	0.63	12.5	-46.6	0.0	-37.0	0.0	0.5
NR	TRECO-PFD AII	260	1.00L	0.00	---	0.00	0.25	0.0	0.0	0.0	-75.0	0.0	0.1
GROUP AVERAGE													
		1377	12.29	0.87		0.01	9.04	-2.2	-7.5	790.9	9.6	-26.4	0.1 48.4

L=LIQUIDATING VALUE. N=NET ASSET VALUE. C=CALL PRICE. TRECO PFD A I: CONVERTIBLE AT \$1.62.



## CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	65.00	10.8	0.0	13.65	3.00
AMER CENTY'B	NY	'91	6.75	28.00	56.00	12.1	-2.5	15.68	3.00
AMER REALTY	OC	'84F	7.00	10.40	60.00	DEF	0.0	6.24	2.00
BAIRD&WARNER	OC	'91	6.75	21.00	63.00	10.7	1.6	13.23	7.25
BANKAMERICA	OC	'90	6.75	21.00	78.00	8.7	0.0	16.38	10.13
BENEF STD MI	OC	'91F	6.50	27.75	50.00	13.0	0.0	13.87	3.00
CAPITAL MTG	OC	'91F	6.50	33.00	49.00	13.3	-1.9	16.17	0.75
CHASE MANHTN	OC	'96F	6.50	55.00	25.00	DEF	0.0	13.75	0.75
CHASE MANHTN	OC	'97	11.63	2.25	29.00	DEF	-12.0	0.65	0.75
COMPASS GP	OC	'98F	8.25	1.35	100.00	8.3	8.7	1.35	1.38
CONN GENERAL	NY	'96	6.00	32.50	67.50	8.9	0.0	21.93	17.63
CONTINTL MTG	OC	'90	6.25	19.79	24.00	VJ	0.0	4.74	0.20
EQUITLB LFM	NY	'90	6.75	26.25	75.00	9.0	-6.2	19.68	17.00
FIRST NEWPT	OC	'91F	6.75	27.50	44.00	15.3	4.8	12.10	1.25
FIRST PENN M	OC	'91F	6.75	8.65	45.00	15.0	-6.2	3.89	1.63
FIRST UNION	NY	'91	7.00	13.00	88.13	7.9	7.3	11.45	11.25
FRANKLIN RLY	AS	'89	7.00	10.00	71.00	9.9	-4.9	7.10	4.88
GRT AMER MI	OC	'91	7.00	35.50	14.00	VJ	0.0	4.96	0.50
HANOVER SQ R	AS	'92	7.25	21.00	75.50	9.6	-4.9	15.85	6.25
HEITMAN MTG	AS	'92	7.50	14.70	54.13	13.9	-3.0	7.95	1.25
HOTEL INVSTR	OC	'90	7.75	21.00	74.00	10.5	-5.0	15.54	16.25
HOTEL INVSTR	OC	'91	7.50	25.25	71.00	10.6	-1.3	17.92	16.25
LINCOLN MTG	OC	'90	8.00	11.00	58.00	13.8	0.0	6.38	1.88
MASSMUTL MTG	NY	'90	6.75	21.00	76.13	8.9	2.9	15.98	12.75
MASSMUTUAL M	NY	'91	6.25	33.50	75.75	8.3	-2.2	25.37	12.75
MIDLAND MTG	OC	'86	7.00	16.67	51.00	13.7	2.0	8.50	1.63
MONY MTG IN	NY	'90	7.00	11.00	86.13	8.1	0.2	9.47	8.00
MTG INV WASH	OC	'90	8.00	15.00	64.00	12.5	-1.4	9.60	1.75
NJB PRIME	OC	'91F	6.75	21.00	70.00	VJ	-6.2	6.30	1.00
NOWSTRN MUTL	NY	'91	6.00	21.00	32.50	8.3	0.0	15.22	9.50
RAM PACIFIC	OC	'91	6.75	21.00	69.00	9.8	-1.3	14.49	12.88
REALTY INCOM	AS	'91	8.00	18.00	67.00	11.9	-6.8	12.06	11.25
REPUBLIC MI	NY	'90	9.00	19.00	90.50	9.9	-1.8	17.19	1.50
SAUL (BF) RL	OC	'91	6.50	23.00	57.00	11.4	-10.8	13.11	6.00
SAUL(BF) REI	OC	'90	8.00	15.50	68.00	11.8	1.5	10.54	6.00
STATE MUTUAL	AS	'91	6.75	21.00	67.50	10.0	-0.6	14.17	4.13
SUTRO MIT	NY	'82	6.75	20.00	83.00	8.1	4.4	16.60	8.75
SUTRO MTG	AS	'91	6.75	20.00	62.00	10.9	-1.1	12.40	8.75
TRI-SO / SR	PH	'88	10.00	2.50	105.00	9.5	10.5	2.62	2.50
TRI-SOUTH MI	NY	'92F	7.00	29.50	52.00	13.5	-4.5	15.34	2.50
US BANCORP	AS	'92	7.00	26.25	74.00	9.5	1.4	19.42	14.00
US REALTY IN	NY	'89	5.75	20.20	54.25	10.6	-8.0	10.95	4.75
WESTPORT CO	OC	'91F	6.75	21.00	58.00	11.6	11.5	12.18	2.38

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ-IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF-IN DEFAULT.

## WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.02	1.88	964.9	-66.6	0.0
CAPITAL MTG	O-CMORW	11/79	471	16.59	1.0	0.01	0.75	2113.3	0.0	0.0
CI MTG	P-CI.W	3/80	2854	20.00	1.0	0.06	2.75	629.5	100.0	0.2
CITIZNS&SO-B	O-CZSS	4/83	258	2.00	50.0	5.00	1.13	85.8	0.0	1.3
FLATLEY RLTY	O-FLTLW	5/79	1000	10.00	1.0	0.13	3.50	189.4	-47.9	0.1
JNB REALTY	O-JNBW	8/82	510	20.00	1.0	0.50	15.50	32.3	-33.2	0.3
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.13	9.25	41.9	0.0	0.1
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.03	1.75	758.9	0.0	0.0
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.15	12.00	167.9	-21.0	0.1
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.02	2.63	1084.4	-33.2	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.01	1.50	1234.0	-66.6	0.0
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.63	18.63	37.6	0.0	0.8
SECURITY MT*	A-SHOW	5/79	3117	16.00	1.0	0.02	3.25	392.9	-33.2	0.1
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	0.69	8.75	136.5	-7.9	0.5
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.06	8.00	150.8	-53.7	0.2

\*DEBENTURES USABLE IN LIEU OF CASH. NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

## NON/LOW EARNING INVESTMENTS AS OF DECEMBER 20, 1978

	Number	Non/Low-Earn.	Total	% Non- and low-earning	% Change in month
PROPERTY.....	31	\$ 97M	\$ 2,013M	5%	+0.3%
PROPERTY & MTG.....	23	459	1,928	24	-3.9
SHORT/TERM MTG.....	11	142	716	20	-8.0
L/T MTG/PROPERTY.....	13	294	1,762	17	-0.7
MTG/FORECLOSED PROP.	62	4,394	6,113	72	-4.2
TOTALS/AVERAGES....	140	\$5,385M*	\$12,532M	43%	-4.0%

\* Includes \$1,047M or 8.3% low-earning assets.

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Annualized Earnings and Price/Earnings Ratio:** For mortgage trusts, latest quarter earnings are multiplied by four. Zeros indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "#" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

**Shares:** The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

WORKOUT PLANS: GREAT AMERICAN SEEKS DEBT  
HOLDER APPROVAL: GUARDIAN REVISES PLAN

Great American Management & Investment has begun circulating its proxy seeking final approval of its proposed Chapter XI bankruptcy reorganization. Approval is sought at a Jan. 22, 1979 special meeting.

GAMI's plan as finally presented includes the following major elements:

--Senior bank creditors holding \$218.5 million debt would receive 90% of principal over nine years, with 3% weighted average interest, plus shares equal to 50% of sh. to be outstanding after reorganization.

--Subordinated debenture holders would receive cash, new debentures and shares equalling 34.9% of new outstanding shares. Proportions for GAMI's three issues:

7.55% debentures: \$100 cash, \$600 new 3% senior subordinated debenture, and 52 shares of stock (17.6% of total) for each \$1,000 principal.

8.75% subordinated debentures: \$80 cash, \$350 new 1.1% to 3% junior subordinated debentures, & 40 sh. (13.6% of total).

7.0% debentures: \$60 cash, \$200 of new 1.1-3% debenture, & 35 shares (3.7%).

GAMI shareholders are also asked to approve conversion to corporate status and a 1-for-4 reverse split that would reduce the number of shares outstanding to 7.37 million (share amounts above are pre-split basis). Current holders would have 15.1% of shares after reorganization.

An early proposal to put most GAMI land holdings (valued at \$58 million) into a separate trust for benefit of subordinated debtholders wasn't included in the final plan for technical reasons. An S.E.C. motion to shift GAMI into Ch. X is still pending but decision isn't likely before Jan. 22.

If approved, GAMI would emerge as a major property owner with \$215 million properties at appraised value (\$258 million historical cost). The trust plans to sell about \$114 million of these properties and retain \$101 million of core properties, all apartments and hotels/motels. GAMI would revalue all properties to market value, eliminating its loss reserve, and then set

up a \$34 million reserve for discounts and costs to sell all other properties.

GAMI's properties generated \$42 million rents in the July 1978 fiscal year and provided \$8.9 million operating income after direct expenses. The trust lost 6¢/sh. on an historical basis without accruing any interest on its \$313 million unsecured debt. On a pro forma basis GAMI would have lost \$14.7 million in the year after allowing for plan interest and amortization of debt discount.

Guardian Mortgage Investors meanwhile sweetened its proposed reorganization plan by offering to give creditors shares with 80% of the trust's post-Chapter XI voting power. They did this by proposing to give holders of \$25 million in 7½% senior subordinated notes 254 shares, plus \$260 cash; and 188 shares plus \$210 cash to holders of both the 6-3/4% and 8% convertibles, all per \$1,000 principal amount and all subject to confirmation of the plan.

If confirmed, subordinated debt holders would get 8.009 million shares and senior bank creditors would get enough to give 80% voting control to creditors. Existing shareholders would have the other 20%. Earlier GMI had filed a plan in Federal court in Jacksonville, Fla. proposing to give creditors 75% of control. GMI filed for Ch. XI protection March 8.

Independence Mortgage Trust meanwhile said it is considering offering to swap substantially all its assets to banks in return for cancellation of all bank debt. Failure to agree upon a similar master swap proposal ultimately pushed another troubled trust, Citizens Mortgage, into Ch. X in October. Independence is advised by a unit of Provident Bank, Philadelphia. It earned 13¢/sh. in the Sept. quarter after 6¢ taxloss benefit (table, p. 8).

IDS Realty, another large troubled trust, completed its massive turnaround by cashing \$7.23/sh. net in the Oct. qtr. The quarter included \$7.26 gains on repurchase of subordinated debentures at a discount and an \$18 million (\$4.70/sh. on a higher number of sh.) additional cash payment from sponsor Investors Diversified



Services. Simultaneously the trust released IDS of all but stated claims. The gains restored the trust to \$11.1 million positive equity.

### EARNINGS TRENDS: RISING INTEREST RATES HURTING ONLY A FEW TRUSTS SO FAR BUT PRESSURE STILL ON

Soaring prime rates now at 11-3/4% have clipped only a few trust earnings so far but money markets are keeping pressure on. So far only a few trusts have reported for November quarters and thus there's little evidence of the major rate increases that accompanied President Carter's Nov. 1 dollar defense package.

Hospital Mortgage Group and Heitman Mortgage Inv. are showing the most strain to date. HMG's Nov. quarter fell to 10¢ (see table) from

year-ago levels but was ahead of the 7¢ of the August quarter. Higher expenses of investment properties and interest charges accounted for the low August quarter. HMG restructured its short-term debt into a \$6.1 million term loan at 1½% over prime. It is repaying another \$2.1 million to banks from proceeds of a mortgage on property. All this dampens HMG's exposure to rising rates so that a 1% prime rate rise cuts EPS by about 1½¢/sh. per quarter. We still urge caution on the shares.

Heitman lost 27¢/sh. in the Sept. quarter mainly because it boosted its provision for losses to cover higher interest costs. HTM exchanged \$5.8 million assets to banks in the Dec. quarter at no gain, cutting bank debt to about \$48 million.

## New Earnings Reports

Trust-Period ended	Th.\$/Spec'l#	EPS/Spec'l#	-Prev. Q- EPS/Spec'l#	-Yr.AgoQ-- EPS/Spec'l#	-Z Chng. From** Prev.Q	Yr.ago Q
<u>Quarterly results: Qualified trusts:</u>						
API Trust.....Sept..	\$191/436L	\$0.19/d4cL	0.32/36cG	\$0.07/15cL	Worse*	Worse*
Baird & Warner...Oct...	d 11	d0.01	d0.23/5cG	d0.03	Better	Better
Commonwealth Rl...Aug...	512/415G	0.59/48cG	0.04/1cG	0.61/55cG	+267%	+83%
Cont. Ill. Props.Oct...	672/126G	0.14/3cG	0.07/d2cW	0.10	+22*	+10*
Equit. Life M&R...Oct...	2,900	0.51	0.54/5cG	0.48	+ 4	+ 6
First Cont'l...Nov...	569	0.27	0.26	0.23	+ 4	+17
Florida Gulf Rl...Oct...	159	0.16	0.20/2cG	0.17	-11*	- 6
Gould Inv. Tr...Sept...	389/27G	0.33/2cG	0.18	0.07/4cL	+72	+182
Hanover Sq. Rlty...Aug...	44	0.05	0.12/21cT, 2cG	0.04	Better**	+25
Hospital Mtg...Nov...	123	0.10	0.07	0.13	+43	-23
M&T Mtg...Nov...	475	0.32	0.31	0.28	+ 3	+14
MassMutual M&R...Oct...	1,701/187T	0.36/4cT	0.37/7cR	0.33/2cT	+ 7*	+ 3*
MONY Mtg. Inv...Nov...	1,500	0.17	0.17	0.16	UC	+ 6
Pacific So. Mtg...Sept...	151	0.19	0.15	0.17	+27	+12
Prop. Tr. Amer...Sept...	253/62G	0.11/3cG	0.02	0.02	+300*	+300*
REIT of America...Nov...	720/ 7G	0.44	0.28	0.46/19cG	+57	+63*
Realty Income Tr.Oct...	4,768/6191G	3.32/3.94G	d0.32	0.01	Better	NM
Rl.Mtg. of Pac...Nov...	728	0.38	0.29	0.29	+31	+31
Security Mtg...Sept...	d184	d0.03	d0.13/1cT	d0.12/1cT	Better	Better
University Rlty...Sept...	11	0.004	d0.07	0.97/1.01G	Better	Better**
U.S.Bancorp R&M...Nov...	236	0.28	0.28	d0.10	UC	Better
Wachovia Rlty...Nov...	d2,003	d0.60	d0.10	d0.18	Worse	Worse
Western Mtg. Inv.Aug...	d 31	d0.03	0.02	0.82/84cG	Worse	Worse*
<u>Quarterly results: Nonqualified business trusts:</u>						
Alamand Corp...Oct...	d267	d0.20	d0.02/d29cI	d0.06	Worse	Worse
Amer. Fletcher...Oct...	d 57	d0.04	0.42/1.16&I	d0.69	Better*	Better
Bay Colony Prop...Nov...	998/1963G	0.31/59cG	0.07/26cG	d0.07/4cG	Better	Better
Builders Inv. Gr.Sept...	d593/7662S	d0.20/2.62S	d0.39	0.54/d39cS	Worse	Worse
Citizens Growth...Oct...	18	0.02	0.07	d0.08/6cS	-71	Better*
First Denver MI...Sept...	1,150/485S	0.71/31cS	d0.27	3.08/\$2.76S	Better*	+25*
First Memphis Rl.Aug...	637/561G	0.55/49cG & 66cS	0.18/16cG	d0.18/23cS	Worse*	Worse*
First Penn. Mtg...Oct...	3,471/6809S	1.17/\$2.30S	0.02	d1.44	Worse*	Better*
Great Amer. M&I...Oct...	3,109/1552N, 923G 6684Y	0.70/35cN, 22cG 615cY	0.38/30cY	d0.16	Better	Better
IDS Realty.....Oct...	28,900/29100Z 6660Y	7.23/\$7.26Z 627cY	0.65/31cN, 681.07Y	5.52/61cY, 655.60T	NM	NM
Independence MI...Sept...	314/137N	0.13/6cN	0.11/14cG	d0.10/9cL	Better*	Better*
Mtg. Inv. Wash...Sept...	d460	d0.22	0.25/38cG	d0.15	Worse	Worse
Plaza Realty...Sept...	d 76/120Y	d0.07/11cY	0.12/22cY	d0.23	Worse*	Better*
TRECO.....Sept...	134/14Z	0.04/4cZ	d0.06/14cZ	d1.93	Better	Better
Westport Co.....Oct...	830/917S	0.35/38cS	d0.03	0.10/22cS	Better	Better
Wisconsin REIT...Sept...	13	0.01	d0.05	0.09/5cN	Better	Worse*
<u>Annual results: All trusts:</u>						
Builders Inv.Gr...Sept...	5,047/17503S	1.72/2.62S	2.95/\$11.15S	---	Better*	---
Cont. Ill. Props.Oct...	2,281/126G, 6d178W	0.47/3cG, 6d4cW	0.55/7cG	---	+ 2*	---
Equit. Life M&R...Oct...	11,200	1.99	2.26/19cR	---	- 4*	---
First Denver Mtg.Sept...	5,099/4422S	3.15/\$2.73S	2.58/\$2.76S	---	Better	---
Gould Inv. Trust.Sept...	1,206/215G	1.03/18cG	0.71/24cG	---	+56*	---
Great Amer. M&I...July...	d258/568Y	d0.06/13cY	d0.76	---	Better	---
Hanover Sq. Rl...Aug...	434/311T, 6362G	0.46/33cT, 638cG	d0.24	---	Better*	---
MassMutual M&R...Oct...	6,869/512T	1.47/11cT	1.23/2cT	---	+12*	---
REIT of America...Nov...	2,784/659G	1.70/40cG	1.39/36cG	---	+26*	---
Rlty.Mtg. Pacif.Nov...	2,314	1.22	1.13	---	+ 8	---
Security Mtg...Sept...	d1,179	d0.18	d0.02/12cT	---	Worse	---
Westport Co.....Oct...	654/1314S&G	0.27/55cS&G	0.11/66cS&G	---	Better*	---

UC=Unchanged. NM=Not meaningful. r=Restated. p=Preliminary. d=Deficit.

#--Special items shown in both thousand dollars and share amounts as: G=Gain on sale of assets; L=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest or prepayment fees; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser, sponsor or insurance company; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers.

\*\* Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

\* Compared before special items.

Rising rates cut Equitable Life Mtg.'s net to 51¢ in the Oct. qtr., including 1.6¢/sh. gain on sales of foreclosed properties. Invested assets fell 6% to \$388 million in the quarter as several large loans were repaid. Nonearning investments fell to 8.3%. The trust expects funding of \$341 million commitments to boost invested assets in coming quarters.

Interest isn't such a large factor for MassMutual Mtg. & Rlty., which has only \$29½ million short-term debt. Oct. quarter EPS was up moderately (see table) before 4¢/sh. gain on debenture repurchase. Nonearning investments were halved to 5% in FY'78.

Realty & Mtg. Investors of the Pacific (RAMPAC) continued its strong earnings pace and boosted its payout.

Several trusts have sold large properties and are now reporting gains in coming quarters. PNB Mtg. agreed to sell its Chestnut Hill, Pa. apartments to net about 32¢/sh. after discount. Bay Colony Property sold two properties for 59¢/sh. gain. Fidelco Growth will include about \$1/sh. interest forgiveness in its Nov. quarter; it has repaid about \$49 million bank debt in the last year.